

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATIONS OF GREEN RIVER ELECTRIC)	
CORPORATION, HENDERSON UNION ELECTRIC)	
COOPERATIVE CORPORATION, JACKSON)	
PURCHASE ELECTRIC COOPERATIVE)	
CORPORATION, AND MEADE COUNTY RURAL)	CASE NO. 95-208
COOPERATIVE CORPORATION FOR APPROVAL OF)	
MECHANISMS TO FLOW THROUGH ENVIRONMENTAL)	
SURCHARGES TO BE CHARGED BY THEIR)	
WHOLESALE POWER SUPPLIER, BIG RIVERS)	
ELECTRIC CORPORATION)	

O R D E R

IT IS ORDERED that Green River Electric Corporation, Henderson Union Electric Cooperative Corporation, Jackson Purchase Electric Cooperative Corporation, and Meade County Rural Electric Cooperative Corporation (the "cooperatives") shall file the original and 10 copies of the following information with the Commission within 10 days of the date of this Order. When a response requires a number of pages, each page should be indexed appropriately, for example, Item 1(a), Page 2 of 6. With each response include the name of the witness who will be responsible for responding to questions related thereto. Careful attention should be given to copied material to ensure that it is legible.

1. Refer to the cooperatives' response to the Commission's Order of July 12, 1995, Items 2 and 3.

a. Explain in detail why the environmental surcharge should "maintain consistency with the current fuel adjustment clause"?

b. What problems, if any, do the cooperatives expect if the "percentage of revenues" method is used to calculate the surcharge amounts on customers' bills?

c. As compared to other factors, how much weight should the Commission give to ease of administration and consumer knowledge when determining the appropriate billing method for the cooperatives' environmental surcharges?

d. What factors account for the differences in the surcharge factors calculated for the cooperatives for calendar year 1994?

2. Refer to the cooperatives' response to the Commission's Order of July 12, 1995, Items 1, 4 and 5.

a. Under the proposed surcharge, non-dedicated delivery points (regular tariff customers) will have a billing lag similar to that associated with the billing of the fuel adjustment clause. Will the same billing lag be experienced under the proposed "direct transfer" method for dedicated delivery points? Explain.

b. For each cooperative, list the customers served from dedicated delivery points as of December 31, 1994, along with the estimated surcharge amounts each would have been billed for calendar year 1994.

c. Identify all costs each cooperative will incur (1) if the percentage of revenues method is used to calculate the surcharge and (2) if the per KWH method is used to calculate the surcharge. State all assumptions and show all calculations made to identify these costs.

d. Describe how use of the per KWH method will simplify
(1) monthly reporting of the proposed environmental surcharge and
(2) Commission oversight of the proposed surcharge's performance.

e. What changes in the cooperatives' billing procedures
(e.g., computer software, billing cycles, billing forms, etc.) will
be required to implement an environmental surcharge using: (1) the
percentage of revenues method; (2) the per KWH method?

Done at Frankfort, Kentucky, this 21st Day of August 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director